Daily View

Good morning. Global risk appetite remains under pressure as expectations for Fed rate cuts have been pushed out to March 2026 and selling has intensified in major technology stocks. Following yesterday's declines of up to 1% in U.S. and European equity markets, futures and Asian indices are also broadly weaker this morning. In Borsa Istanbul, however, modest inflows and rising trading volumes supported a 1.3% rebound, enabling the index to close back above the 100-day exponential moving average after one week. The BIST maintained a relatively resilient and upbeat tone compared with global markets. Yesterday, the top five positive contributors to the index were ASELS, TUPRS, KCHOL, KOZAL, and HALKB, while KOZAL, AKENR, RALYH, ULKER, and SASA stood out for consistent inflows over the past week. Fitch's decision to upgrade the long-term foreign-currency ratings of Ziraat Bank, Vakıfbank, and TSKB from B+ to BB-, and Arab Turk Bank from B to B+, may offer additional support to banking stocks this morning. We expect the recovery attempts in Borsa Istanbul—largely decoupled from the weakness abroad—to continue today. In the short term, 10,580 and 10,440 remain key support levels, while 10,700 / 10,800 serve as the primary resistance zone. On today's agenda, domestic markets will follow the housing price index, while U.S. factory orders and durable goods orders will be monitored abroad. Turkey's five-year CDS opens the day at 246 basis points.

Macro and Politics

*** The Treasury will hold a direct sale of a two-year TLREFK-indexed lease certificate today.** After today's sales, the Treasury will hold the direct sales of a 2y USD-denominated bond and a 2y USD-denominated lease certificate on November 20, finalizing its domestic borrowing program for November. According to the Treasury's three-month domestic borrowing program covering the period of November 2025 – January 2026, it plans to borrow a total of TL128.3bn from domestic markets against its redemption of TL95bn this month, implying a rollover ratio of 135%. Having already raised a total of TL81.6bn from the market through three auctions last week, the Treasury is likely to secure an additional borrowing of around TL50bn via this week's direct sales.

*** The CBT will release the Residential Property Price Index (RPPI) for October @ 10:00 local time.** The RPPI rose by 1.7% m/m and 32.2% y/y in September, reaching 195.7, while it posted a 0.8% y/y decline in real terms. Although the annual real contraction in house prices has persisted uninterruptedly since February 2024, the pace of the decline has markedly moderated, suggesting that real price dynamics are moving closer to neutral territory. Mortgage rates have eased from above 43% in June to below 39% in recent months, with the average mortgage rate standing at 38.8% as of September. Despite the limited downward adjustment in borrowing costs, we assess that the robust annual increase in mortgage-backed house sales has been supported by forward-looking price expectations, driven by the prolonged period of real price correction and the recent deceleration in real losses. We expect the annual real change in residential property prices to turn positive in the near term.

*** The CBT will release September short-term external debt stock figures @ 10:00 local time.** The short-term external debt stock in August materialized at USD169.8bn, down by 0.7% m/m. In terms of short-term debt statistics, we believe that "debt stock on a remaining maturity basis," calculated based on the external debt maturing within 1 year or less regarding the original maturity, is rather critical, which is at USD226.5bn as of August 2025. Of this total, USD25.6bn is attributed to loans taken by resident banks and private sector affiliates from their branches and affiliates abroad. Stripping this amount from the total results in USD200.9bn. We also add 12-month forward-looking CAD expectations on this amount so as to reach Turkey's annual external financing need (EFN). Accordingly, we calculate EFN as of August 2025 around USD225bn.

*** The central government budget posted a TL223.2bn deficit in October, while the primary balance recorded a TL65.8bn deficit.** This compares with a TL186.3bn budget deficit and a TL50bn primary deficit in the same month of last year. With the October data, the 12-month cumulative budget deficit widened from TL2.2tn to TL2.3tn, whereas the 12-month cumulative primary deficit rose from TL229.3bn to TL245bn. In Jan – Oct period, the budget deficit reached TL1.4tn, corresponding to 74.6% of our full-year 2025 deficit projection, while the primary balance posted a surplus of TL379.3bn during the same period. Budget revenues increased by 49.1% y/y in October and this implies a real improvement in revenues considering the 32.9% y/y CPI inflation during the same period. Cumulative revenues amounted to TL10.2tn in the first ten months of the year, achieving 79.3% of the Medium-Term Program (MTEP) revenue target. Central government expenditures, meanwhile, rose by 43.4% y/y to TL1.4tn in October. Over January–October, expenditures totaled TL11.6tn, corresponding to 78.7% of the TL14.7tn spending envelope projected for the 2025 central government budget. Our year-end 2025 budget deficit forecast stands at TL2.3tn (3.7% of GDP). Please recall that in the MTEP covering 2026–2028, the government revised its projections, raising the 2025 budget deficit-to-GDP ratio from 3.1% to 3.6%, and adjusting the 2026 estimate upward from 2.8% to 3.5%.

Sector and Company News

- **TMSN** reported a TL 268 mn net loss in 3Q25, compared to a TL 705 mn loss in the same period last year. Net sales came in at TL 599 mn, down 68% y/y, while the company posted a negative EBITDA of TL 8 mn in the quarter.

- **AKSEN** revised its FY2025 guidance, raising revenue expectations from TL 36.85 bn to TL 38 bn and EBITDA guidance from TL 11 bn to TL 12 bn, while lowering CAPEX guidance from TL 23 bn to TL 20 bn.

- **ARMGD** announced that it has acquired 75% of Talya Foods. The acquired company has a share capital of TL 8mn.

- **ASELS** signed a USD 26.07 mn contract for the supply of Medical Imaging Systems to be used domestically.

- **CWENE** signed TL 2.4 bn worth of product sales contracts across 18 sales locations in Turkey for 2026. The agreements are expected to have a ~23% positive impact relative to 9M25 revenue.

- **DSTKF**: Funds managed by Tera Portföy (T3B, TLY, TMV, TGI) conducted TL 101.7k in purchases and TL 49.1k in sales of Destek Finans Faktoring shares, increasing their total ownership from 4.99% to 5.01%.

- **FRIGO** announced that it has signed a contract worth EUR 7.3mn for citrus product shipments scheduled for 2025–2026.

- **MIATK** announced that it has signed a USD 4.2 mn contract with a state-backed energy company in Kyrgyzstan for energy field security technologies and AI-supported mine and oil field management systems. As an initial phase of the contract, the company has received an order worth USD 310k.

- **PCILT** completed its share buyback program initiated on March 24, repurchasing a total of 5.1 mn shares, equivalent to 4.31% of its paid-in capital.

- **TCELL** increased the capital of its wholly owned subsidiary Kıbrıs Telekom by TL 500 mn to TL 922.7 mn, fully subscribing to its portion of the capital increase.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
PNLSN		PNLSN	Buyback	5.500	40.44	1.22%
LKMNH		LKMNH	Buyback	16.500	15.83	5.05%
ESCAR		ESCAR	Buyback	58.578	19.86	0.72%

Important Disclosures

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